

**Household
Economic Studies**

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**Pensions:
Worker Coverage
and
Retirement
Income,
1984**

**Data from the
Survey of Income and
Program Participation**

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Pensions: Worker Coverage and Retirement Benefits, 1984

INTRODUCTION

The fourth wave topical module to the 1984 panel of the Survey of Income and Program Participation (SIPP), conducted September through December of 1984, contained supplemental questions on both pension eligibility of the working population and on characteristics of persons receiving retirement income. This report presents findings based on these supplemental questions. The prevalence of pension coverage among different segments of the population, the reliance on employee-directed retirement plans (such as IRA's and 401(k) plans), and differences in the level of economic well-being of today's retirees are some of the topics discussed in this report.

There have been other surveys conducted by the Census Bureau containing questions on pension eligibility. Since 1980, the annual income supplement to the March Current Population Survey (CPS) has included a limited number of questions on pension eligibility for each person identified as a worker during the calendar year prior to interview.¹ In addition, there have been two pension supplements to the CPS. The Department of Labor and the Social Security Administration sponsored a pension supplement in May 1979 and the Employee Benefit Research Institute (EBRI) and the Department of Health and Human Services sponsored a similar supplement in May 1983. An analysis of data from these two CPS pension supplements is contained in a study by Emily Andrews of the EBRI, entitled "The Changing Profile of Pensions in America." Although the May CPS and SIPP data sets are somewhat different, the data in this report are based on the definitions of pension eligibility used in the EBRI study.

Pension eligibility, as defined in this study, was restricted to employer-provided pensions. Eligibility for Social Security retirement benefits was not included. According to the Social Security Administration, 92 percent of all civilian wage and salary workers were eligible for Social Security retirement benefits in 1984.

This is the first Census Bureau study to highlight specifically the economic status of retirees. The March

CPS income supplement has provided information on the economic situation of the population by age group, including the 65-and-over population; however, the CPS does not directly identify the "ever-retired" population nor does it link the level of retirement income with important retirement related variables such as years since retirement and former industry. Thus, these new SIPP data can provide a more comprehensive picture of the economic status of retirees than any other information previously available from the Census Bureau.

HIGHLIGHTS

(Note: The figures in parentheses signify the 90-percent confidence intervals of the estimates.)

Pension Coverage

- In 1984, 52.7 (± 1.0) million wage and salary workers were covered by an employer-sponsored pension plan. This represents 67.1 ($\pm .9$) percent of all wage and salary workers.
- The pension coverage rate of workers with monthly earnings of less than \$500 was only 37.8 (± 2.6) percent. In contrast, the pension coverage rate of workers with monthly earnings of \$2,000 or more was 84.1 (± 1.3) percent.
- Employees of larger firms were far more likely to be covered by an employee-sponsored pension plan than employees of smaller firms.
- In 1984, 16.3 ($\pm .6$) million wage and salary workers contributed to Individual Retirement Accounts (IRA's). The pension coverage rate of these workers was 75.8 (± 1.7) percent.
- About 6.1 ($\pm .4$) percent of all wage and salary workers participated in employer-sponsored thrift plans, known as 401(k) plans. Of employees in firms that offer 401(k) plans, the participation rate was 55.5 (± 2.8) percent.
- The percentage of workers covered by either an employer-sponsored pension, IRA, or 401(k) plan was 72.1 ($\pm .8$) percent.

¹See Current Population Reports, Series P-60, No. 155, *Receipt of Selected Noncash Benefits: 1985*, for the latest CPS data on pensions. Other P-60 reports have contained CPS pension data for the 1979-84 period.

Retirement Benefits

- There were 11.5 ($\pm .8$) million retirees receiving pension benefits in August 1984; their mean monthly pension income was \$570 (\pm \$41).
- Of all retirees receiving pension benefits, 66.4 (\pm 3.2) percent were men. The mean monthly pension income of male retirees was \$670 (\pm \$56), significantly higher than that for females, \$370 (\pm \$41).
- Retirees under the age of 65 received significantly more pension income, on average, than retirees 65 years old and over. Older retirees were much more likely to be receiving Social Security benefits in addition to their pensions than younger retirees.
- Of the 11.5 ($\pm .8$) million retirement pension recipients, 19.6 (\pm 2.7) percent completed 4 or more years of college. The mean pension income of these retirees was \$950 (\pm \$132). The mean pension income of retirees with 4 years of high school only was \$550 (\pm \$56).
- About 15.7 (\pm 2.5) percent of all retirement pension recipients, or 1.8 (\pm .2) million retirees, worked during the reference month. The mean pension income of working retirees was \$730 (\pm \$59), while the mean pension income of nonworking retirees was \$540 (\pm \$43).

PENSION COVERAGE

Defining Pension Eligibility

On the SIPP fourth wave topical module, all persons 25 years old and over with a wage or salary job at any time during the 4 months prior to the interview were asked a battery of pension questions. The exact sequence of questions is shown in appendix D. As classified by the responses to these questions, there are four sepa-

rate levels of pension eligibility. These levels are hierarchical, in that each is a subset of the previous one.

1. A *covered* worker was one whose employer had a retirement plan for any of its employees.
2. A *participant* was a worker included in such a plan.
3. A *vested* employee was one eligible to receive payments from this plan either upon reaching retirement age or in a lump-sum distribution. Thus, a vested employee is one with pension rights that cannot be forfeited.
4. A worker with *future benefit entitlement* was one eligible to receive benefits upon retirement age. This group excludes those who are only eligible for a lump-sum distribution.

The data in table A summarize these four levels of pension eligibility for 1984. It shows that 52.7 million wage and salary workers were covered by an employer-sponsored pension plan. This yields a pension coverage rate of about 67 percent; 70 percent of all male workers and 64 percent of all female workers had pension coverage (figure 1). The proportion of total wage and salary workers participating in an employer-sponsored pension plan was 55 percent, or 43.3 million workers. Two-thirds of all covered workers, 35.5 million, were vested in a plan. Of these vested workers, about 29.8 million, or 84 percent, were eligible for future benefits, while the other 5.7 million were eligible for lump-sum distributions.

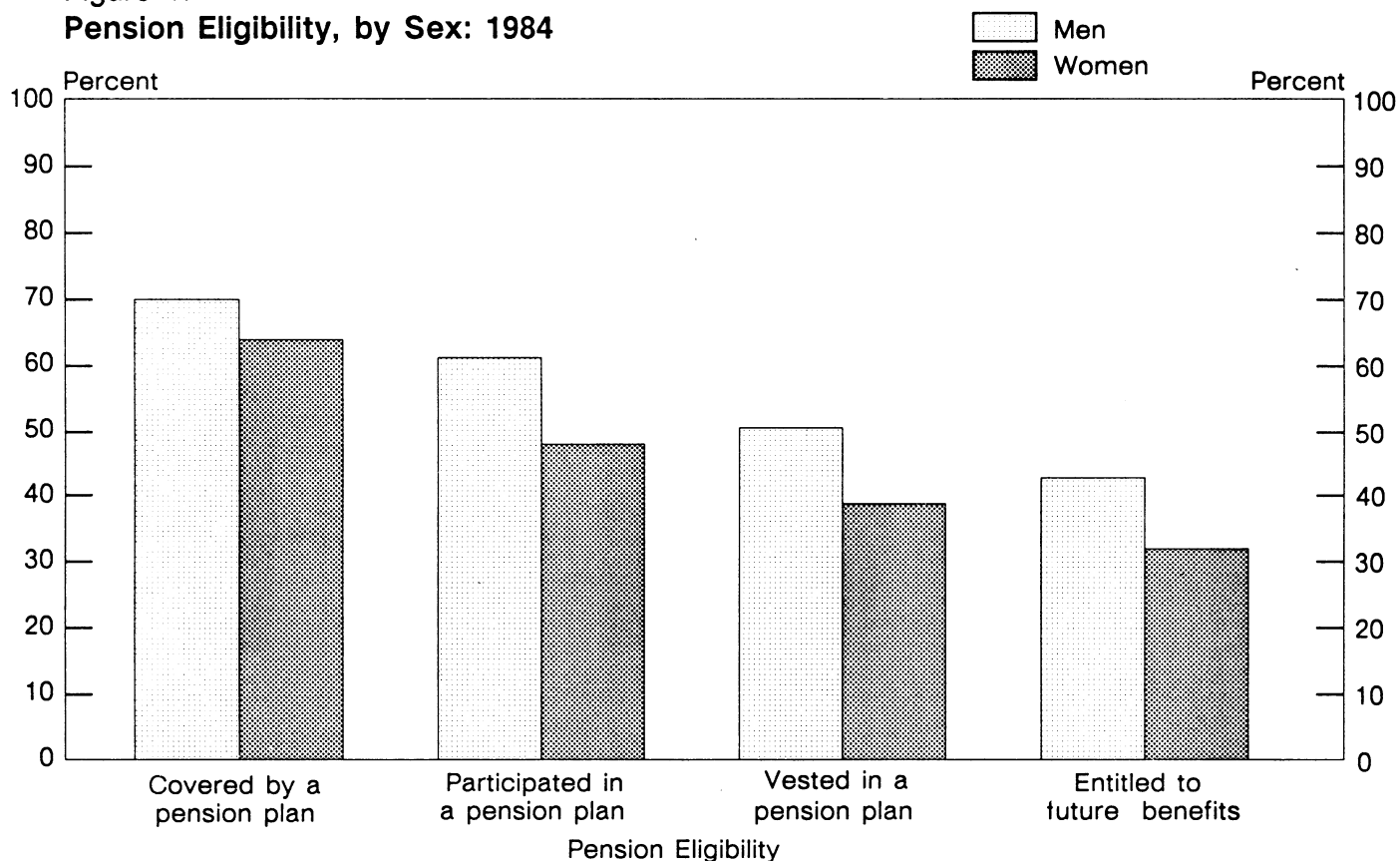
Pension coverage and vesting rates are considered by many to be the key indicators of pension eligibility. Pension coverage rates provide information on the proportion of workers who are potentially eligible for employer-provided pensions, while the vesting rate measures the proportion of workers currently eligible for nonforfeitable pension benefits. The following section contains estimates of coverage and vesting rates by worker characteristics.

Table A. Pension Eligibility—Wage and Salary Workers 25 Years and Over, by Sex: 1984

(Numbers in thousands)

Eligibility	Both sexes	Male	Female
All wage and salary workers	78,619	43,467	35,152
Covered by a pension plan	52,727	30,351	22,376
Percent of total workers	67.1	69.8	63.7
Participating in a pension plan	43,290	26,496	16,793
Percent of total workers	55.1	61.0	47.8
Vested in a plan	35,479	21,865	13,614
Percent of total workers	45.1	50.3	38.7
Entitled to future benefits	29,764	18,553	11,211
Percent of total workers	37.9	42.7	31.9
Entitled to lump-sum payments	5,715	3,312	2,403
Percent of total workers	7.3	7.6	6.8

Figure 1.
Pension Eligibility, by Sex: 1984



Pension Coverage and Vesting Rates by Worker Characteristics

Age. Pension eligibility is usually linked to the number of years of service on the job. Therefore, since younger workers are less likely to have the required work experience, age plays an important role in determining pension eligibility. Table B shows that only 29 percent of

workers under 30 were vested in a pension plan. The vesting rate was 44 percent for workers between the ages of 30 and 39, 54 percent for those between the ages of 40 and 49, and 58 percent for those between the ages of 50 and 59. As would be expected, the age of a worker plays a larger role in pension vesting than in pension coverage. This is demonstrated by the fact that, while a worker 50 to 59 years old was more likely to be

Table B. Age—Wage and Salary Workers 25 Years and Over, by Pension Status: 1984

(Numbers in thousands)

Age	All workers	Covered by a pension plan		Vested in a pension plan		
		Number	Percent	Number	Percent of —	
					Covered workers	Total workers
Total.....	78,619	52,727	67.1	35,479	67.3	45.1
25 to 29 years.....	16,039	9,686	60.4	4,590	47.4	28.6
30 to 39 years.....	26,350	17,962	68.2	11,527	64.2	43.7
30 to 34 years.....	14,162	9,338	65.9	5,732	61.4	40.5
35 to 39 years.....	12,188	8,624	70.8	5,795	67.2	47.5
40 to 49 years.....	17,190	12,385	72.0	9,295	75.1	54.1
40 to 44 years.....	9,653	6,959	72.1	5,039	72.4	52.2
45 to 49 years.....	7,537	5,426	72.0	4,256	78.4	56.5
50 to 59 years.....	12,846	9,139	71.1	7,474	81.8	58.2
50 to 54 years.....	6,712	4,707	70.1	3,847	81.7	57.3
55 to 59 years.....	6,134	4,432	72.3	3,627	81.8	59.1
60 to 64 years.....	4,054	2,570	63.4	2,043	79.5	50.4
65 years and over.....	2,141	985	46.0	551	55.9	25.7

vested in a pension plan than a worker 40 to 49 years old, the pension coverage rates of workers in those two age groups were not significantly different from one another.

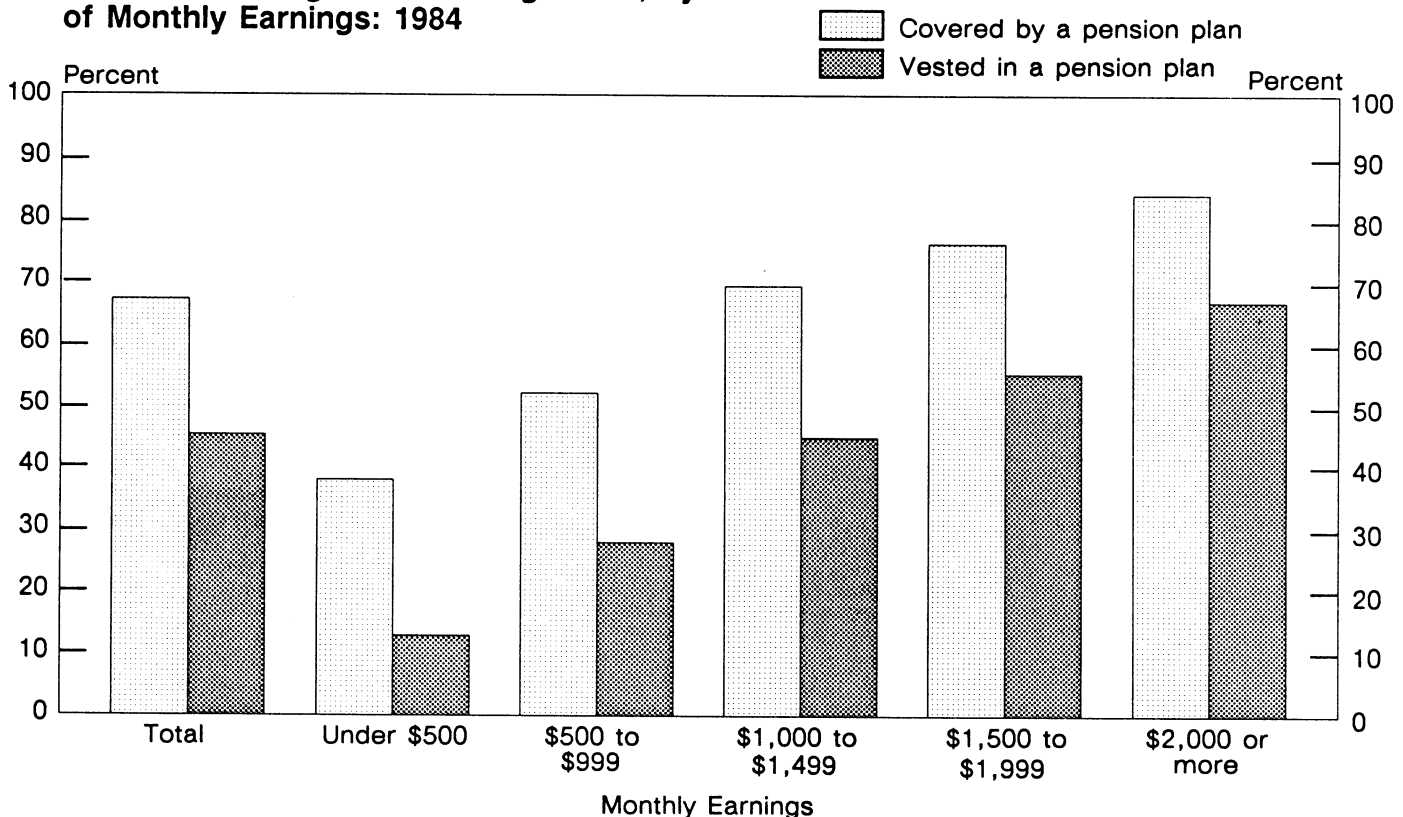
Level of earnings. The median monthly earnings of workers covered by an employer-sponsored pension plan (\$1,590) was considerably higher than the median for uncovered workers (\$950) (table C). Among work-

Table C. Level of Monthly Earnings—Wage and Salary Workers 25 Years and Over, by Pension Status: 1984
(Numbers in thousands)

Level of earnings	All workers	Covered by a pension plan		Vested in a pension plan			Not covered by a pension plan	
		Number	Percent	Number	Percent of—		Number	Percent
					Covered workers	Total workers		
Total	78,619	52,727	67.1	35,479	67.3	45.1	25,892	32.9
Under \$500	9,535	3,601	37.8	1,217	33.8	12.8	5,934	62.2
\$500 to \$999	16,405	8,531	52.0	4,584	53.7	27.9	7,874	48.0
\$1,000 to \$1,499	18,002	12,486	69.4	8,060	64.6	44.8	5,516	30.6
\$1,500 to \$1,999	13,345	10,171	76.2	7,363	72.4	55.2	3,174	23.8
\$2,000 or more	21,332	17,938	84.1	14,256	79.5	66.8	3,393	15.9
\$2,000 to \$2,499	9,300	7,791	83.8	6,104	78.3	65.6	1,509	16.2
\$2,500 to \$2,999	4,953	4,242	85.6	3,326	78.4	67.2	710	14.3
\$3,000 to \$3,499	2,916	2,450	84.0	2,013	82.2	69.0	466	16.0
\$3,500 to \$3,999	1,397	1,191	85.3	979	82.2	70.1	206	14.7
\$4,000 and over	2,766	2,264	81.9	1,834	81.0	66.3	502	18.1
Median	\$1,371	\$1,586	(X)	\$1,763	(X)	(X)	\$945	(X)
Mean	\$1,584	\$1,789	(X)	\$1,956	(X)	(X)	\$1,168	(X)

X Not applicable.

Figure 2.
Pension Coverage and Vesting Rates, by Level of Monthly Earnings: 1984



ers with monthly earnings under \$500, 62 percent were not covered by a pension plan. These workers accounted for 12 percent of the total working population and 23 percent of the total workers not covered by a plan. In contrast, workers with monthly earnings of \$2,000 or more have a pension coverage rate of 84 percent (figure 2).

Industry. Pension coverage and vesting rates varied widely by industry (table D). Workers in the agricultural and personal service industries had the lowest pension coverage rates: only 22 percent of these workers were covered by an employer-sponsored pension plan. Workers in these industries also had a very low vesting rate of 13 percent. Other industries with relatively low (less than 50 percent) pension coverage rates included business and repair services and retail trade.

Nearly all, about 96 percent, of public administration workers were covered by employer-sponsored pensions. Within the public administration industry, Federal and State government workers appear to have somewhat higher pension coverage rates than workers employed by local governments. Among the other industries with relatively high (70 percent or more) pension coverage rates were public utilities, professional and related services, manufacturing, and mining.

Size of firm. There is a direct relationship between firm size and the rate of employee coverage by an employer-

sponsored pension plan (table E). Employees of larger firms are far more likely to be covered or vested in a pension plan than employees of smaller firms. Pension coverage rates ranged from 25 percent in firms with less than 25 employees to 89 percent in firms with 1,000 or more employees (figure 3). The corresponding vesting rates ranged from 15 percent to 61 percent. While workers in firms with less than 25 employees account for only 22 percent of the working population, these firms employed one-half of the 25.9 million workers not covered by employer-sponsored pension plans.

IRA and 401(k) plan participation. Individual Retirement Accounts (IRA's) were first established in 1974 as a means of retirement savings for those not covered by a pension plan at work. Beginning in 1982, eligibility for IRA's was expanded to include all workers. As shown in table F, of the 78.6 million workers 25 years old or over, 16.3 million (21 percent) had an IRA. A large majority, 76 percent, of workers with IRA's were also covered by a pension plan at work. The IRA participation rate of those covered by employer-sponsored pension plans, 23 percent, was considerably higher than the 15-percent participation rate of those not covered by pension plans at work. It would appear that, with the liberalization of eligibility requirements, many wage and salary workers are using IRA's as a pension supplement rather than a primary source of future retirement income for wage and salary workers.

Table D. Industry—Wage and Salary Workers 25 Years and Over, by Pension Status: 1984

(Numbers in thousands)

Industry	All workers	Covered by a pension plan		Vested in a pension plan		
		Number	Percent	Number	Percent of—	
					Covered workers	Total workers
Total	78,619	52,727	67.1	35,479	67.3	45.1
Agriculture, forestry, and fisheries	1,173	239	20.4	152	63.6	13.0
Mining	679	490	72.2	332	67.8	48.9
Construction	4,078	2,042	50.1	1,472	72.1	36.1
Manufacturing, total	19,428	14,858	76.5	10,218	68.8	52.6
Durable goods	8,037	5,895	73.3	3,931	66.7	48.9
Nondurable goods	11,391	8,963	78.7	6,287	70.1	55.2
Transportation, communication, and other						
public utilities	6,029	4,730	78.5	3,575	75.6	59.3
Wholesale trade	3,465	2,018	58.2	1,398	69.3	40.3
Retail trade	9,755	4,475	45.9	2,435	54.4	25.0
Finance, insurance, and real estate	4,915	3,426	69.7	2,160	63.0	43.9
Business and repair services	3,130	1,198	38.3	684	57.1	21.9
Personal services	2,223	497	22.4	289	58.1	13.0
Entertainment and recreation services	585	238	40.7	157	66.0	26.8
Professional and related services	17,885	13,422	75.0	8,972	66.8	50.2
Public administration, total	4,630	4,450	96.1	3,443	77.4	74.4
Federal government	1,600	1,577	98.6	1,275	80.8	79.7
State government	1,254	1,224	97.6	978	79.9	78.0
Local government	1,777	1,649	92.8	1,190	72.2	67.0
Armed Forces	644	644	100.0	192	29.8	29.8

Table E. Size of Firm—Wage and Salary Workers 25 Years and Over, by Pension Status: 1984

(Numbers in thousands)

Size of firm	All workers	Covered by a pension plan		Vested in a pension plan		
		Number	Percent	Number	Percent of—	
					Covered workers	Total workers
Total.....	78,619	52,727	67.1	35,479	67.3	45.1
Under 25 employees.....	17,348	4,279	24.7	2,617	61.2	15.1
25 to 99 employees.....	10,075	5,008	49.7	3,379	67.5	33.5
100 to 499 employees.....	10,368	7,306	70.5	4,863	66.6	46.9
500 to 999 employees.....	5,045	4,128	81.8	2,813	68.1	55.8
1,000 employees or more.....	35,782	32,007	89.5	21,808	68.1	60.9

About 4.8 million workers, or 6 percent, participated in employer-sponsored thrift savings plans, known as 401(k) plans. This participation rate is low because most employers do not offer such plans. The participation rate among employees in firms that offer 401(k) plans was 56 percent. The number of workers participating in both IRA and 401(k) plans was 1.8 million, or about 2 percent of all workers.

Table F also shows that 72 percent of all workers were covered by an employer-sponsored pension plan, IRA, or 401(k) Plan. This figure is only slightly higher than the pension coverage rate of 67 percent, a further

reflection of the fact that most IRA and 401(k) plan participants were also covered by pension plans at work.

As IRA's represent a way in which to defer current earnings in anticipation of future benefits, one of the important determinants of IRA participation is level of earnings. As shown in table G, the median monthly earnings of IRA participants, \$1,890, and 401(k) plan participants, \$2,110, was considerably higher than the \$1,250 median of workers who did not participate in either of the two plans. The median monthly earnings of workers who participated in both IRA's and 401(k) plans

Figure 3.

Pension Coverage and Vesting Rates, by Size of Firm: 1984

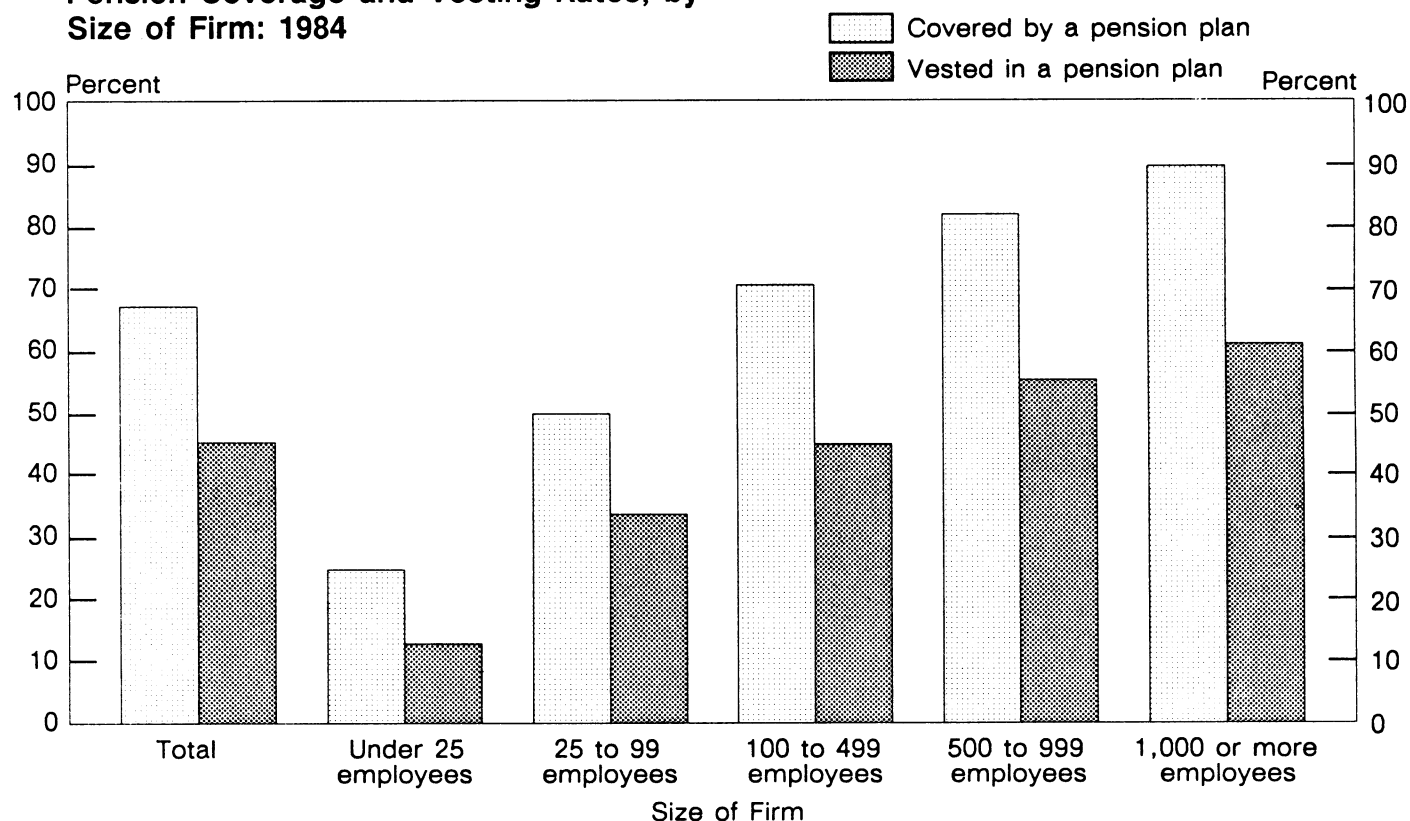


Table F. IRA and 401(k) Plan Participation—Wage and Salary Workers 25 Years and Over, by Pension Status and Sex: 1984

(Numbers in thousands)

Pension status and sex	All workers	With an IRA		With a 401(k) plan			With both plans		With neither plan	
		Number	Percent	Number	Percent of—		Number	Percent	Number	Percent
					Total workers	Eligible workers				
Total	78,619	16,264	20.7	4,826	6.1	55.5	1,762	2.2	59,291	75.4
Male	43,467	9,335	21.5	3,130	7.2	58.1	1,202	2.8	32,203	74.1
Female	35,152	6,928	19.7	1,696	4.8	51.4	561	1.6	27,088	77.1
Covered by a pension plan	52,727	12,340	23.4	4,826	9.2	55.5	1,762	3.3	37,323	70.8
Male	30,351	7,288	24.0	3,130	10.3	58.1	1,202	4.0	21,135	69.6
Female	22,376	5,052	22.6	1,696	7.6	51.4	561	2.5	16,188	72.3
Vested in a pension plan	35,479	9,527	26.9	4,253	12.0	56.7	1,571	4.4	23,270	65.6
Male	21,865	5,968	27.3	2,760	12.6	59.4	1,084	5.0	14,221	65.0
Female	13,614	3,559	26.1	1,492	11.0	52.4	487	3.6	9,049	66.5

Table G. IRA and 401(k) Plan Participation Rates—Wage and Salary Workers 25 Years and Over, by Level of Monthly Earnings: 1984

(Numbers in thousands)

Level of earnings	All workers	With an IRA		With a 401(k) plan			With both plans		With neither plan	
		Number	Percent	Number	Percent of—		Number	Percent	Number	Percent
					Total workers	Eligible workers				
Total	78,619	16,264	20.7	4,826	6.1	55.5	1,762	2.2	59,291	75.4
Under \$1,000	25,940	3,071	11.8	526	2.0	48.3	132	0.5	22,476	86.6
\$1,000 to \$1,499	18,002	2,920	16.2	813	4.5	46.0	165	0.9	14,434	80.2
\$1,500 to \$1,999	13,345	2,724	20.4	902	6.8	51.4	290	2.2	10,010	75.0
\$2,000 to \$2,499	9,300	2,337	25.1	789	8.5	57.2	267	2.9	6,442	69.3
\$2,500 to \$2,999	4,953	1,694	34.2	505	10.2	56.5	183	3.7	2,936	59.3
\$3,000 to \$3,499	2,916	1,265	43.4	516	17.7	69.5	262	9.0	1,397	47.9
\$3,500 to \$3,999	1,397	674	48.2	248	17.8	67.6	133	9.5	607	43.5
\$4,000 and over	2,766	1,580	57.1	527	19.1	76.2	330	11.9	989	35.8
Median	\$1,371	\$1,893	(X)	\$2,109	(X)	(X)	\$2,572	(X)	\$1,248	(X)
Mean	\$1,584	\$2,214	(X)	\$2,382	(X)	(X)	\$2,879	(X)	\$1,385	(X)

X Not applicable.

was \$2,570. The IRA participation rate ranged from 12 percent for workers with earnings under \$1,000 to 57 percent for workers with earnings of \$4,000 or more (figure 4).

The data in table H demonstrate the relationship between size of firm and 401(k) plan participation and eligibility. Employees of firms with 1,000 or more employees were much more likely than employees of firms with less than 1,000 employees to be eligible for 401(k) plans. These larger firms employed 46 percent of all workers and 72 percent of the 4.8 million 401(k) plan participants.

RETIREMENT BENEFITS

Defining the Retirement Universe

The universe for the retirement-related questions on the fourth wave topical module consisted of all persons 25 years old and over who had retired from a job and received income during the reference period from either: 1) a company or union pension, 2) a Federal government employee pension, 3) a U.S. military pension, 4) a National Guard or Reserve pension, 5) a State govern-

Figure 4.
IRA Participation Rates, by Level of
Monthly Earnings: 1984

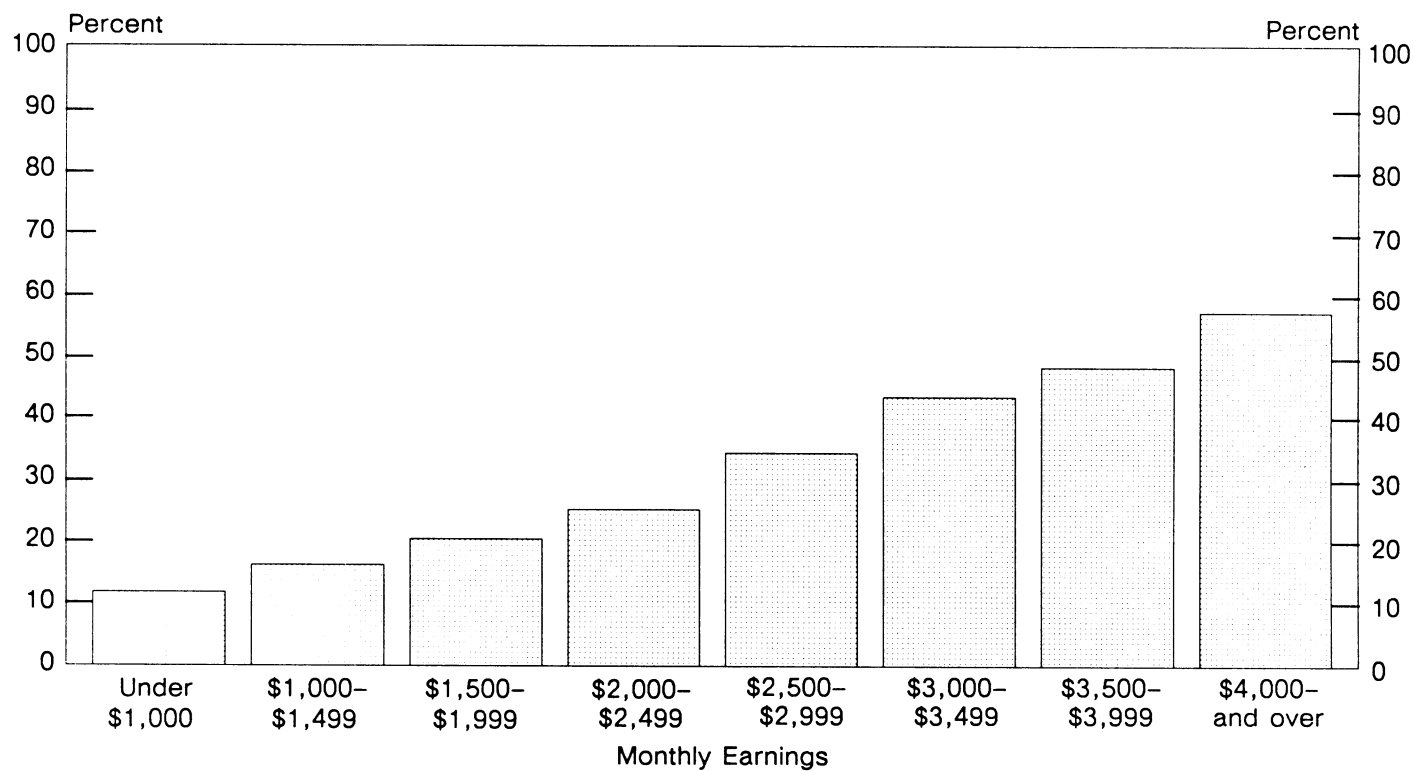


Table H. Participation and Eligibility Rates of 401(k) Plans—Wage and Salary Workers 25 Years and Over, by Size of Firm: 1984

(Numbers in thousands)

Size of firm	Total	Eligible for 401(k) plan		Participant in 401(k) plan		
		Number	Percent	Number	Percent of—	
					Total workers	Eligible workers
Total.....	78,619	8,688	11.1	4,826	6.1	55.5
Under 25 employees.....	17,348	467	2.7	271	1.6	58.0
25 to 99 employees.....	10,075	468	4.6	294	2.9	62.8
100 to 499 employees.....	10,368	819	7.9	485	4.7	59.2
500 to 999 employees.....	5,045	617	12.2	281	5.6	45.5
1,000 employees or more.....	35,782	6,318	17.7	3,495	9.8	55.3

ment employee pension, or 6) a local government employee pension. For the purpose of this study, the analysis was restricted to those retired individuals receiving pension income during August 1984.² Thus, the mean amounts shown in tables I through O refer to amounts received during this reference month. Although the universe for

this study was restricted to pension recipients who had retired from a job, the amounts of pension income refer to pensions received both directly as a retiree and those that may be received as a survivor or dependent since it was not possible to identify these sources of pension income separately.

There were an estimated 11.5 million retirees receiving pension income in August 1984 according to the SIPP wave four topical module. The mean monthly income received by this group from retirement pensions

²August was chosen because it is the one month common to all rotation groups in the SIPP fourth wave. See appendix A for a more detailed description of the sample design.

was \$570. Three-quarters of all retirement pension recipients, about 8.7 million retirees, also received Social Security payments, averaging \$490. The combined mean Social Security and pension income of retirees, including those not receiving Social Security benefits, was \$930.

The mean monthly total household income of the 11.5 million retirement pension recipients was \$2,250. Thus, the combined amount received from Social Security and pension benefits, \$930, represents about 41 percent of the total household income of retirement pension recipients. The remainder of total household income comes from a variety of sources, including: income received by household members other than retirees, and income received by retirees from sources other than pensions or Social Security benefits. Property income is particularly important as a source of income for those who have retired.

Characteristics of Retirees

Age. Two-thirds of all retirement pension recipients were 65 years old or over and 41 percent were age 70 or older (table I). About 15 percent were under age 60. The mean pension income of retirees in each of the age groups under age 65 was significantly higher than the mean for retirees 65 years old and over. Very few of the younger retirees received Social Security in addition to their pensions. This is not surprising since retirees cannot receive Social Security retirement benefits before the age of 62. Those under the age of 62, however, may receive Social Security survivor or disability benefits.

The mean pension income of retirees 70 years old and over was \$410, about 29 percent lower than the average pension received by all retirees. The lower mean pension incomes of older retirees is probably a reflection of their lower levels of income before retirement.

Table I. Age and Sex of Retirement Pension Recipients—Mean Monthly Pension Income, Total Household Income, and Social Security Income: 1984

Sex and age	Number (thous.)	Pension income		Total household income		Social Security income			Pension and Social Security income	
		Mean	Standard error	Mean	Standard error	Number (thous.)	Mean	Standard error	Mean ¹	Standard error
Both Sexes										
Total	11,547	\$568	\$25	\$2,251	\$79	8,688	\$487	\$8	\$934	\$23
25 to 49 years	427	682	82	2,917	330	23	(B)	(B)	707	79
50 to 54 years	417	896	103	3,128	386	40	(B)	(B)	948	98
55 to 59 years	928	931	93	2,842	294	47	(B)	(B)	967	93
60 and 61 years	546	803	132	2,602	367	88	(B)	(B)	881	129
62 to 64 years	1,492	711	91	2,581	293	1,122	453	20	1,052	89
65 years and over	7,736	456	26	2,007	86	7,368	490	9	923	25
65 to 69 years	3,029	534	46	2,171	124	2,860	494	15	1,000	46
70 years and over	4,706	406	30	1,902	117	4,508	487	11	872	28
Male										
Total	7,671	670	34	2,408	99	5,359	518	10	1,032	31
25 to 49 years	392	714	84	2,962	348	9	(B)	(B)	724	82
50 to 54 years	365	930	111	3,255	389	31	(B)	(B)	979	107
55 to 59 years	758	1,050	103	2,976	349	39	(B)	(B)	1,082	100
60 to 61 years	363	943	173	2,520	438	27	(B)	(B)	988	170
62 to 64 years	1,018	834	126	2,776	359	739	488	25	1,188	120
65 years and over	4,775	530	37	2,120	112	4,514	521	11	1,023	35
65 to 69 years	1,933	639	65	2,281	167	1,792	538	18	1,138	62
70 years and over	2,842	455	43	2,011	149	2,722	511	14	945	40
Female										
Total	3,875	366	25	1,940	127	3,329	436	12	740	26
25 to 49 years	35	(B)	(B)	(B)	(B)	14	(B)	(B)	(B)	(B)
50 to 54 years	52	(B)	(B)	(B)	(B)	9	(B)	(B)	(B)	(B)
55 to 59 years	170	(B)	(B)	(B)	(B)	8	(B)	(B)	(B)	(B)
60 to 61 years	183	(B)	(B)	(B)	(B)	61	(B)	(B)	(B)	(B)
62 to 64 years	474	447	71	2,161	497	383	386	28	759	80
65 years and over	2,961	337	27	1,825	134	2,854	440	13	761	28
65 to 69 years	1,096	348	45	1,976	173	1,068	421	22	758	49
70 years and over	1,864	330	34	1,737	186	1,786	451	15	763	34

B Base less than 200,000.

¹Based on all retirement pension recipients, including those not receiving Social Security income.

Age appears to play an extremely important role in determining levels of pension income received by retirees. In fact, many of the differences in average pension income that will be noted later in this report (current work status, for example) are at least partially attributable to differences in age distributions between retirees.

Sex. Two-thirds of those receiving retirement pensions were men. The mean pension income received by male retirees was \$670, a significantly higher figure than the women's mean of \$370. The proportion of retirees receiving Social Security benefits was higher for women than for men. This is a reflection of the fact that a larger proportion of women retirees were 65 years old or older than male retirees. The combined mean Social Security and pension income received by male retirees was \$1,030, 39 percent higher than the women's mean of \$740.

Years since retirement. One-third of those receiving retirement pensions retired less than 5 years prior to the survey. The mean monthly pension income of these retirees was \$640, 21 percent higher than the mean of those who retired 5 years or more prior to the survey (table J). The higher pension incomes of recent retirees may be a reflection of their higher levels of earnings before retirement. Recent retirees also received more Social Security income, on average, than other retirees. The mean Social Security income for those who retired less than 5 years prior to the survey, \$520, was 10 percent higher than the mean for those who retired 5 years or more prior to the survey.

Former industry. The data in table K show the relationship between former industry and level of retirement income. Those who retired from the Armed Forces and public administration had the highest mean pension incomes of any industry group. While the mean pension incomes of former Armed Forces members and public

administration employees were substantially higher than the overall mean pension income of retirees from other industries, smaller proportions of Armed Forces retirees and public administration retirees received Social Security benefits than retirees of other industries. As a result, while the mean pension income of former Armed Forces members was 88 percent higher than the overall mean, the mean combined Social Security and pension income, \$1,190, was 27 percent higher than the combined mean for all pension recipients. The same pattern is true for former public administration employees. Their mean combined pension income and Social Security income is much closer to the overall mean than their mean pension income.

The industry from which the largest number of pension recipients retired was manufacturing. Former employees of this industry accounted for 31 percent of all retirees. The mean pension income of these retirees was \$400, 30 percent lower than the overall mean of \$570. However, the proportion of manufacturing retirees that qualified for Social Security benefits was 87 percent—higher than the overall proportion of 75 percent. Their mean Social Security income was \$530, 9 percent higher than the overall mean. Thus, the sum of Social Security and pension income of manufacturing retirees was \$860, only 8 percent lower than the overall mean.

Marital status. About two-thirds of all retirement pension recipients were married. The mean pension income of married retirees was \$630, not significantly different from the overall mean of all retirees (table L). However, the mean household income of married retirees was higher than the overall household mean. Eighteen percent of all retirement pension recipients were widowed. Their mean retirement income was \$380, 34 percent lower than the overall mean. Sixty-nine percent of all widowed retirees were women. Widowed retirees were more likely to receive Social Security payments in addition to their pensions than other retirees: 93 percent of these widows received Social Security payments, com-

Table J. Years Since Retirement of Pension Recipients— Mean Monthly Pension Income, Total Household Income, and Social Security Income: 1984

Years since retirement	Number (thous.)	Pension income		Total household income		Social Security income			Pension and Social Security income	
		Mean	Standard error	Mean	Standard error	Number (thous.)	Mean	Standard error	Mean ¹	Standard error
Total	11,547	\$568	\$25	\$2,251	\$79	8,688	\$487	\$8	\$934	\$23
Under 5 years	3,832	643	42	2,330	131	2,438	520	17	974	41
5 years or more.....	7,714	530	30	2,211	98	6,250	473	9	914	28
5 to 9 years	3,279	508	46	2,138	143	2,593	494	15	899	42
10 to 14 years.....	2,503	551	53	2,287	184	2,084	463	16	937	50
15 years or more.....	1,932	541	60	2,238	196	1,573	452	15	909	56

¹Based on all retirement pension recipients, including those not receiving Social Security income.

Table K. Former Industry of Retirement Pension Recipients — Mean Monthly Pension Income, Total Household Income, and Social Security Income: 1984

Industry	Number (thous.)	Pension income		Total household income		Social Security income			Pension and Social Security income	
		Mean	Standard error	Mean	Standard error	Number (thous.)	Mean	Standard error	Mean ¹	Standard error
Total	11,547	\$568	\$25	\$2,251	\$79	8,688	\$487	\$8	\$934	\$23
Agriculture, forestry, and fisheries	50	(B)	(B)	(B)	(B)	41	(B)	(B)	(B)	(B)
Mining	87	(B)	(B)	(B)	(B)	71	(B)	(B)	(B)	(B)
Construction	486	468	92	1,960	326	436	536	36	949	87
Manufacturing, total	3,602	395	37	1,962	139	3,123	532	11	856	36
Durable goods	1,255	318	45	1,882	177	1,161	518	18	798	49
Nondurable goods	2,348	436	50	2,005	191	1,962	540	15	887	49
Transportation, communication, and other public utilities	1,196	689	77	2,276	241	823	474	28	1,015	74
Wholesale trade	249	396	114	2,515	584	200	543	40	834	107
Retail trade	519	279	72	1,750	300	434	471	32	674	73
Finance, insurance, and real estate	382	365	129	1,782	257	345	517	36	832	138
Business and repair services	107	(B)	(B)	(B)	(B)	89	(B)	(B)	(B)	(B)
Personal services	68	(B)	(B)	(B)	(B)	58	(B)	(B)	(B)	(B)
Entertainment and recreation services	33	(B)	(B)	(B)	(B)	28	(B)	(B)	(B)	(B)
Professional and related services	2,208	493	43	2,194	171	1,816	450	18	863	44
Public administration, total	1,636	896	75	2,537	215	990	377	26	1,125	71
Federal government	790	1,113	116	2,543	257	438	279	30	1,268	111
State government	384	646	107	2,494	542	254	455	52	947	113
Local government	462	733	126	2,564	425	299	455	45	1,026	126
Armed Forces	924	1,067	103	3,549	311	232	471	43	1,186	109

B Base less than 200,000.

¹Based on all retirement pension recipients, including those not receiving Social Security income.

Table L. Marital Status and Sex of Retirement Pension Recipients — Mean Monthly Pension Income, Total Household Income, and Social Security Income: 1984

Marital status and sex	Number (thous.)	Pension income		Total household income		Social Security income			Pension and Social Security income	
		Mean	Standard error	Mean	Standard error	Number (thous.)	Mean	Standard error	Mean ¹	Standard error
Both Sexes										
Total	11,547	\$568	\$25	\$2,251	\$79	8,688	\$487	\$8	\$934	\$23
Married	7,831	630	33	2,526	101	5,564	495	10	982	31
Divorced or separated	872	538	74	1,760	216	558	468	29	838	67
Widowed	2,059	375	36	1,511	116	1,915	467	17	809	37
Never married	785	481	63	1,994	348	651	486	28	885	61
Male										
Total	7,671	670	34	2,408	99	5,359	518	10	1,032	31
Married	6,277	700	39	2,526	112	4,319	526	11	1,062	36
Divorced or separated	509	659	107	2,028	331	256	491	43	906	101
Widowed	645	432	70	1,761	260	602	475	30	875	66
Never married	240	522	125	1,869	487	181	(B)	(B)	914	106
Female										
Total	3,875	366	25	1,940	127	3,329	436	12	740	26
Married	1,554	348	36	2,525	228	1,245	388	17	659	40
Divorced or separated	362	368	80	1,385	204	301	449	38	742	69
Widowed	1,414	349	41	1,397	119	1,313	464	21	779	45
Never married	545	463	71	2,049	453	470	474	31	872	74

B Base less than 200,000.

¹Based on all retirement pension recipients, including those not receiving Social Security income.

pared with 71 percent of all other retirees. This higher rate of Social Security reciprocity may reflect the survivor benefits received by this group.

Current work status. Of the 11.5 million retirees receiving pension income, 1.8 million, or 16 percent, worked at a wage or salary job during the reference month (table M). The mean pension income of working retirees, \$730, was 37 percent higher than the mean pension income of the 9.7 million nonworking retirees. Two-thirds of the 1.8 million working retirees worked full time during the reference month. The mean pension income of these retirees, \$830, was also substantially higher than the nonworkers' mean. The mean monthly total household income of working retirees was \$3,140—50 percent higher than the mean household income of nonworking retirees.

As shown below, working retirees tend to be much younger than retirees who did not work during the reference month. Sixty-nine percent of all working retirees were under 65 years old, compared with 26 percent of nonworking retirees.

Work status	Total	Under age 65		Age 65 and over	
		Number (thous.)	Percent	Number (thous.)	Percent
All retirees.....	11,547	3,811	33.0	7,736	67.0
Working retirees.....	1,812	1,257	69.4	556	30.7
Nonworking retirees....	9,734	2,554	26.2	7,180	73.8

Education. The mean pension income of retirees who were high school graduates (\$550) was not significantly different from the overall mean for all retirees, while the mean for retirees with less than a high school education (\$330) was 41 percent lower than the overall mean (table N). The mean pension income of those with 4

years or more of college (\$950) was 68 percent higher than the overall mean pension income of all retirees.

Though there was no statistically significant difference in the mean Social Security income received by retirees of different educational attainment levels, a higher percentage of retirees with less than a high school education received Social Security benefits, 89 percent, than retirees in each of the other groups. As a result, while the mean pension income of these retirees was 41 percent lower than the overall mean, the sum of pension and Social Security income of retirees with less than a high school education was \$760, 19 percent lower than the overall mean of \$930.

There are two possible reasons for the similarity in mean Social Security income by educational level. First, Social Security retirement benefits replace a higher proportion of earnings for workers with lower incomes. Second, the restriction of the retirement universe in this study to those receiving pensions may tend to lessen the differences in Social Security benefits across educational levels.

Presence of a COLA (cost of living adjustment) provision. Of the 11.5 million retirement pension recipients, 6.7 million, or 58 percent, had pensions with COLA provisions. The mean pension income of these retirees was \$700, 79 percent higher than the mean pension income of the 4.9 million retirees with no COLA provisions (table O). The mean combined pension and Social Security amount for retirees with COLA provisions was \$1,010, 23 percent higher than the mean for retirees without COLA provisions. Those without COLA's were much more likely to receive Social Security benefits, and mean Social Security income was higher for retirees without COLA provisions than for those with COLA's. The mean household income of retirees with COLA provisions was \$2,460, 25 percent higher than the mean for those without COLA provisions.

Table M. Current Work Status of Retirement Pension Recipients—Mean Monthly Pension Income, Total Household Income, and Social Security Income: 1984

Current work status	Number (thous.)	Pension income		Total household income		Social Security income			Pension and Social Security income	
		Mean	Standard error	Mean	Standard error	Number (thous.)	Mean	Standard error	Mean ¹	Standard error
Total	11,547	\$568	\$25	\$2,251	\$79	8,688	\$487	\$8	\$934	\$23
Worked ²	1,812	734	36	3,135	105	585	498	18	895	34
Full time	1,174	832	46	3,682	136	158	(B)	(B)	901	46
Part time	639	553	50	2,131	112	428	494	19	884	46
Did not work	9,734	537	26	2,086	84	8,103	486	8	941	25

B Base less than 200,000.

¹Based on all retirement pension recipients, including those not receiving Social Security income.

²Restricted to persons working at a wage or salary job.

Table N. Education of Retirement Pension Recipients — Mean Monthly Pension Income, Total Household Income, and Social Security Income: 1984

Educational attainment	Number (thous.)	Pension income		Total household income		Social Security income			Pension and Social Security income	
		Mean	Standard error	Mean	Standard error	Number (thous.)	Mean	Standard error	Mean ¹	Standard error
Total	11,547	\$568	\$25	\$2,251	\$79	8,688	\$487	\$8	\$934	\$23
Less than high school	3,956	333	22	1,635	75	3,520	481	11	761	22
High school graduate	3,695	546	34	2,139	124	2,588	483	15	885	32
College:										
1 to 3 years	1,627	649	70	2,445	191	1,124	499	25	994	68
4 years or more	2,268	954	80	3,368	259	1,455	496	22	1,273	76

¹Based on all retirement pension recipients, including those not receiving Social Security income.

Table O. Presence of COLA Provision for Retirement Pension Recipients— Mean Monthly Pension Income, Total Household Income, and Social Security Income: 1984

Presence of provision	Number (thous.)	Pension income		Total household income		Social Security income			Pension and Social Security income	
		Mean	Standard error	Mean	Standard error	Number (thous.)	Mean	Standard error	Mean ¹	Standard error
Total	11,547	\$568	\$25	\$2,251	\$79	8,688	\$487	\$8	\$934	\$23
With COLA provision	6,689	698	34	2,460	113	4,642	456	12	1,014	32
With no COLA provision	4,858	389	31	1,963	102	4,046	522	11	823	31

¹Based on all retirement pension recipients, including those not receiving Social Security income.